

286.11-025 Changes in control of a licensee.

- (1) A licensee shall give the executive director written notice of a proposed change of control within fifteen (15) days after learning of the proposed change of control and at least thirty (30) days prior to the proposed change of control.
- (2) A licensee shall file a written request for approval of the acquisition with the executive director. A licensee shall also submit, with the notice, a nonrefundable fee of one hundred dollars (\$100).
- (3) After review of a request for approval under subsection (1) of this section, the executive director may require the licensee to provide additional information concerning the proposed person in control.
- (4) The executive director shall approve a request for change of control under subsection (1) of this section if, after investigation, the executive director determines that the person or group of persons requesting approval has the competence, experience, character, financial condition, and responsibility to operate the licensee or person in control of the licensee in a lawful and proper manner and that the interest of the public will not be jeopardized by the change of control.
- (5) The following persons are exempt from the requirements of subsection (1) of the section, but the licensee shall notify the executive director, within fifteen (15) days after learning of a change of control:
 - (a) A person that acts as a proxy for the sole purpose of voting at a designated meeting of the security holders or holders of voting interests of a licensee or person in control of a licensee;
 - (b) A person that acquires control of a licensee by devise or descent;
 - (c) A person that acquires control as a personal representative, custodian, guardian, conservator, or trustee, or as an officer appointed by a court of competent jurisdiction or by operation of law; and
 - (d) A person that the executive director exempts by regulation or order if it is in the public interest to do so.
- (6) Subsection (1) of this section does not apply to public offerings of securities.
- (7) Before filing a request for approval to acquire control, a person may request in writing a determination from the executive director as to whether the person would be considered a person in control of a licensee upon consummation of a proposed transaction. If the executive director determines that the person would not be a person in control of a licensee, then the executive director may enter an order or respond in writing, to that effect, and the proposed person and transaction shall not be subject to the requirements of this section.

Effective: April 24, 2006

History: Created 2006 Ky. Acts ch. 247, sec. 13, effective April 24, 2006.

Legislative Research Commission Note (7/12/2006). This section was created in 2006 Ky. Acts ch. 247 as a new section of KRS Chapter 366A. Sec. 38 of that same bill also required that all sections of KRS Chapters 287, 288, 290, 291, 294, 366, 366A, and 368 be renumbered as sections of a single KRS chapter entitled the "Kentucky

Financial Services Code." Therefore, the Statute Reviser, acting under KRS 7.136(1), has codified this section as a new section of KRS Chapter 286.